

In the claims:

1. **(Currently amended)** A method of encapsulating a bioactive complex in a liposome which comprises the steps of:

- (a) dissolving at least one amphipathic lipid in one or more organic solvents;
- (b) combining a first aqueous suspension comprising a bioactive agent with the lipid containing organic solution of step (a) so as to form an emulsion comprising the bioactive agent and the lipid;
- (c) adding a second aqueous suspension comprising a complexing agent to the emulsion of step (b), wherein the complexing agent is a polycation;
- (d) incubating the emulsion of step (c) to allow the complexing agent to contact the bioactive agent thereby forming a complex of the bioactive agent with the complexing agent within the lipid stabilized water droplets, wherein said complex is no greater in diameter than the diameter of the droplet; and
- (e) removing the organic solvent from the suspension of step (d), so as to form liposomes comprising the complexed bioactive agent and the lipid.

2. **(Currently amended)** A method of encapsulating a bioactive complex in a liposome which comprises the steps of:

- (a) dissolving at least one amphipathic lipid in one or more organic solvents;
- (b) combining a first aqueous suspension comprising a complexing agent with the lipid containing organic solution of step (a) so as to form an emulsion comprising the complexing agent and the lipid, wherein the complexing agent is a polycation;
- (c) adding a second aqueous suspension comprising a bioactive agent to the emulsion of step (b);
- (d) incubating the emulsion of step (c) to allow the complexing agent to contact the bioactive agent thereby forming a complex of the bioactive agent with the complexing agent within the lipid stabilized water droplets, wherein said complex is no greater in diameter than the diameter of the droplet; and
- (e) removing the organic solvent from the suspension of step (d), so as to form liposomes comprising the complexed bioactive agent and the lipid.

3. **(Currently amended)** The method of claim 1 or 2, wherein the bioactive agent is a nucleic acid.
4. **(Original)** The method of claim 3, wherein the nucleic acid is DNA.
5. **(New)** The method of claim 1 or 2, wherein the complexing agent is selected from the group consisting of polylysine, a polyamine, hexammine cobalt, polyhistidine, and polyethyleneimine.
6. **(New)** The method of claim 5, wherein the polyamine is selected from the group consisting of spermine and spermidine.
7. **(New)** The method of claim 6, wherein the polyamine is spermine.